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ARIZONA CORPORATION COMMISSION

April 7, 2009

Mr. Don Robinson
President and CEO
Arizona Public Service
400 No. Fifth Street
Phoenix, AZ 85004

Mr. Richard H. Silverman
General Manager
P. O. Box 52025 PAB 236
Phoenix, AZ 85072-2025

Re: Possible use of federal stimulus funding for electrification of Whispering Ranch.

Dear Mr. Robinson and Mr. Silverman:

As you know, last month Congress passed and the President signed the American Recovery and Reinvestment Act of 2009 ("ARRA"). That Act sets aside significant funding for energy infrastructure projects.

I am writing today to inquire whether Arizona Public Service Company ("APS") and Salt River Project ("SRP") have investigated the possibility of applying for stimulus funding to electrify an area near Wickenburg known as "Whispering Ranch", where thousands of Arizonans are living without electricity, or with electricity furnished by diesel generators. It is my view that such a utility infrastructure project has the potential to add construction-related jobs to our state's economy, and, importantly, would instantaneously "right" a "wrong" committed long ago.

Whispering Ranch residents have lived for several decades without modern electric service, the result of a confluence of factors, including the decision by an unscrupulous developer many years ago not to pay for power line extensions to the parcels which were sold to unwitting buyers,¹ as well as the fact that no utility has so far been willing to extend service into this region.

I have personally toured Whispering Ranch, and have spoken on several occasions with residents there, many of whom either live without electricity, or who have purchased diesel generators in order to make up for the lack of electric service from a major utility. Denizens of Whispering

¹ In the 1970's, Horizon Land Corporation was accused by the Arizona Attorney General of marketing illegally subdivided lots in Whispering Ranch.


Ranch routinely travel dozens of miles a week to and from the nearest grocery store in order to purchase expensive diesel fuel for these generators, which number in the hundreds and on any given night can be heard humming in the desert near Wickenburg. The electricity produced by these generators is unreliable, and they spew an untold amount of carbon into the atmosphere every year. Additionally, the area, in part because it has never been electrified, is criss-crossed by unpaved roads, adding particulates to the list of pollutants that are unnecessarily generated as a result of Whispering Ranch remaining off-grid.

I have met on several occasions with representatives of your utilities, both of which could potentially serve Whispering Ranch, to discuss the situation faced by the residents of Whispering Ranch. However, your representatives have informed me that your Companies are not willing to underwrite the cost of building the power lines and substations that would be needed to bring Whispering Ranch into the 21st Century.² Nor are the residents themselves financially capable of shouldering this burden, which would cost each of them tens of thousands of dollars, and in some cases, more.

Whispering Ranch is a unique situation in Arizona – a place passed over by power companies, much to the detriment of those who call it home. Without extraordinary relief in the form of federal or other funding for distribution power lines and associated substations, I believe it is unlikely that Whispering Ranch will ever be connected to the grid, making it an ideal candidate for assistance from the federal stimulus package. Specifically, I would like to know whether federal stimulus funding could be utilized to extend distribution lines and substations to Whispering Ranch homes or short of that, to place off-grid solar systems at some or all of the homes in Whispering Ranch.

I thank you for your consideration of this suggestion, and look forward to your response.

Sincerely,



Kris Mayes
Chairman

Cc: Commissioner Gary Pierce
Commissioner Paul Newman
Commissioner Sandra Kennedy
Commissioner Bob Stump
Ernest Johnson
Janice Alward
Mike Kearns
Rebecca Wilder

² Ironically, the Whispering Ranch area is traversed by a 500 KV extra high voltage power line owned and operated by the Salt River Project. Many residents who lived in the area at the time SRP built that power line have told me that they believed that in return for agreeing to allow this high voltage power line through their backyards, some day SRP or another utility would provide power to their homes. This never occurred.